



JOHN MARISCOTTI  
EXECUTIVE VICE PRESIDENT

# NATIONAL RAILWAY UTILIZATION CORP.

860 Suburban Station / 1617 John F. Kennedy Blvd., Phila., Pa. 19103 / (215) 387-2220

8-632A071

FEB 1 1978

9222

RECORDATION NO. .... Filed & Recorded

FEB 1 1978 1 25 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED  
FEB 1 1 29 PM '78  
CERTIFICATION UNIT

January 31, 1978

Interstate Commerce Commission  
Washington, D. C. 20423

Attention: Secretary

Dear Sir:

It is respectfully requested that the following documents be recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act:

1. Lease of Railroad Equipment, dated as of December 1, 1977:

Lessor - Westinghouse Leasing Corporation  
Three Gateway Center  
Pittsburgh, Pennsylvania 15222

Lessee - Pickens Railroad Company  
402 Cedar Rock Street  
Pickens, South Carolina 29671

Guarantor - National Railway Utilization Corporation  
860 Suburban Station  
Philadelphia, Pennsylvania 19103

*Mark Lloyd*

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Interstate Commerce Commission  
January 31, 1978  
Page Two

General Description of the Equipment: 100 Boxcars, Type XM (50'-6" 70-ton), bearing Road Numbers NSL 101100 thru 101101 (both inclusive), NSL 101103, NSL 101108 and NSL 101110 thru NSL 101205 (both inclusive), and each being marked: "Westinghouse Leasing Corporation, Owner- Lessor".

Very truly yours,

A handwritten signature in black ink, which appears to read "John A. Mariscotti", is written over a horizontal line. The signature is fluid and cursive.

John A. Mariscotti, Executive Vice President

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

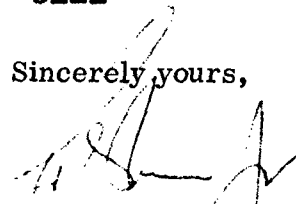
**OFFICE OF THE SECRETARY**

**National Railway Utilization Corp.**  
**860 Suburban Station**  
**1617 John F. Kennedy Blvd.**  
**Philadelphia, PA. 19103**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on **2-1-78** at **1:35 PM** ,  
and assigned recordation number(s) **9222**

Sincerely yours,



**H. G. Homme, Jr.**  
Acting Secretary

Enclosure(s)

LEASE AGREEMENT

9222  
RECORDATION NO. \_\_\_\_\_ Filed & Recorded  
FEB 1 1978 - 1 25 PM

THIS LEASE AGREEMENT ("Lease") dated as of December 1, 1977 is between Westinghouse Leasing Corporation, a Delaware corporation, with its principal office at 3 Gateway Center, Pittsburgh, Pennsylvania 15222, ("Lessor") and Pickens Railroad Company, a South Carolina corporation with its principal office at P. O. Box 216, Pickens, South Carolina 29621 ("Lessee").

WHEREAS, Lessor desires to acquire and lease to Lessee, and Lessee desires to lease from Lessor certain units of railroad equipment (the "Units") which are described in the Schedule (the "Schedule") attached hereto and made a part hereof, upon the terms and conditions hereinafter set forth; and

WHEREAS, the obligations of Lessee hereunder are guaranteed by National Railway Utilization Corporation, a South Carolina corporation (the "Guarantor"):

NOW, THEREFORE, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions.

Section 1. Procurement, Delivery and Acceptance.

1.1 Lessee has ordered the Units pursuant to a letter or letters between Lessee and a manufacturer or manufacturers ("Vendor") to be later supplied by Lessee to Lessor which letters incorporate all of which documents are hereinafter referred to as the "Purchase Agreement". Lessee hereby assigns to Lessor all the right, title and interest of Lessee in and to the Purchase Agreement insofar as it relates to the Units. Lessor hereby accepts the assignment and assumes the obligations of Lessee under the Purchase Agreement to purchase and pay for the Units, but no other duties or obligations of Lessee thereunder; provided, however, that Lessee shall remain liable to Vendor in respect of its duties and obligations in accordance with the Purchase Agreement. Lessee represents and warrants in connection with the assignment of the Purchase Agreement that (a) Lessee has the right to assign the Purchase Agreement as set forth herein, (b) the right, title and interest of Lessee in the Purchase Agreement so assigned is free from all claims, liens, security interests and encumbrances, (c) Lessee will warrant and defend the assignment and (d) the Purchase Agreement contains no conditions under which Vendor may reclaim title to any Unit after delivery, acceptance and payment therefor.

1.2 The obligation of the Lessor to pay for each Unit is subject to the following:

(a) Lessee shall have executed and delivered to Lessor on or before the Availability Date set forth in the Schedule an Acceptance Supplement therefor in the form attached hereto ("Acceptance Supplement"). The date of execution by Lessee of the Acceptance Supplement is hereinafter called the "Delivery Date". Such Acceptance Supplement shall be delivered to Lessor within five (5) days of the Delivery Date confirming that such Unit (i) has been accepted by Lessee as of such Delivery Date and (ii) has become subject to and governed by all the provisions of this Lease;

(b) Lessee shall have received all such governmental or regulatory approvals, licenses and authorizations with respect to Lessee's execution and performance of this Lease and all related documents which may be necessary or advisable in the opinion of the Lessor;

(c) Lessor shall have received a written report from an independent appraiser in form and substance satisfactory to Lessor to the effect that (i) the estimated useful life of the Units is at least nineteen (19) years, (ii) the estimated residual value of the Units at the end of the fifteenth year of the Lease term shall be at least twenty percent (20%) of the total aggregate Purchase Price thereof, not including in such value (A) any cost incurred in delivering possession of the Units to Lessor or B) any increase or decrease for inflation or deflation, and (iii) the Units will be usable by parties other than the Lessee; and

(d) There shall exist no Event of Default or any condition, event or act, which with notice or lapse of time or both, would become an Event of Default, which has not been remedied or waived.

Notwithstanding the above, in the event that any of the conditions listed in (a) through (d) above have not been met with respect to any Unit, Lessor shall assign, transfer and set over unto the Lessee all the right, title and interest of Lessor in and to such Unit and Lessee shall hold Lessor harmless from any obligations whatsoever under the Purchase Agreement, and any related agreements with respect to such Unit.

1.3 In consideration of the purchase of the Units by Lessor, Lessee agrees to pay as supplemental rent for each Unit subject to this Lease an amount equal to 0.03% of the Purchase Price of such Unit for each day elapsed from and including the date on which funds were advanced by the Lessor for the purchase of such Unit to and including March 31, 1978. The supplemental rent for each Unit is payable to Lessor on April 1, 1978.

Lessee does hereby further agree that in the event that it shall fail to lease any of the Units purchased as above set forth pursuant to this Lease, Lessee, upon demand of Lessor, shall purchase such Units from Lessor for the amount of the Purchase Price paid by Lessor or for which Lessor has obligated itself to pay and any other costs or obligations incurred by Lessor in connection with said purchase of such Units plus rentals at the above rate from the date of the last supplemental rental payment to the date of purchase by Lessee from Lessor.

## Section 2. Term, Rent and Payment.

2.1 The term of this Lease as to each Unit shall commence on the Delivery Date in respect thereof and continue as specified in the Schedule.

2.2 The rental for each Unit, in addition to the supplemental rental due pursuant to Section 1.3 hereof, shall be in the amount set forth in the Schedule and shall be payable at the times set forth in the Schedule.

2.3 Rent and all other sums due Lessor hereunder shall be paid by wire transfer in accordance with instructions to be provided Lessee by Lessor.

2.4 This Lease is a net lease and Lessee shall not be entitled to any abatement or reduction of rent or any setoff against rent, whether arising by reason of any past, present or future claims of any nature by Lessee against Lessor or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessor or Lessee be otherwise affected by reason of any defect in, damage to, loss of possession or use or destruction of any of the Units however caused, by the attachment of any lien, encumbrance, security interest or other right or claim of any third party to any Unit, by any prohibition or restriction of or interference with Lessee's use of the Unit by any person or entity, or by the insolvency of or the commencement by or against Lessee of any bankruptcy, reorganization or similar proceeding, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the intention of the parties that all rent and other amounts payable by Lessee hereunder shall be payable in all events in the manner and at the times herein provided unless Lessee's obligations in respect thereof have been terminated pursuant to the express provisions of this Lease.

Section 3. Warranties.

3.1 LESSEE ACKNOWLEDGES AND AGREES (a) THAT EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURING SELECTED BY LESSEE, (b) THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSES, (c) THAT LESSOR IS NOT A MANUFACTURER THEREOF NOR A DEALER IN PROPERTY OF SUCH KIND, and (d) THAT LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION OR WARRANTY OR COVENANT WITH RESPECT TO THE MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, DESCRIPTION, DURABILITY, SUITABILITY OR TITLE OF ANY SUCH UNIT OR COMPONENT THEREOF IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE. Lessor hereby assigns to Lessee, to the extent assignable, any warranties, covenants and representations of the Vendor with respect to any Unit, provided that any action taken by Lessee by reason thereof shall be at the sole expense of Lessee and shall be consistent with Lessee's obligations pursuant to Section 2 hereunder.

The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of an Acceptance Supplement shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

Section 4. Possession, Use and Maintenance.

4.1 Lessee shall not use, operate, maintain or store any Unit improperly or carelessly and Lessee agrees to comply in all respects (including, without limitation,

with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the Interchange Rules of the Association of American Railroads ("AAR") and with all lawful rules of the United States Department of Transportation, Interstate Commerce Commission any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Unit, Lessee will conform therewith at its own expense; provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the property or rights of Lessor under this Lease.

As long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease. Lessee, at its own expense, will promptly pay or discharge any and all sums claimed through or against Lessee which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to any Unit, including any accession thereto, or the interest of Lessor or Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises.

4.2 Lessee shall at its sole expense at all times during the term of this Lease maintain the Units in good operating order, repair, condition and appearance.

4.3 Lessee shall not alter any Unit or affix or install any accessory, equipment or device on any Unit, if such alteration or addition will impair the originally intended function or use or reduce the value of any such Unit. All repairs, parts, supplies, accessories, equipment and devices furnished, affixed, or installed to or on any Unit shall thereupon become the property of Lessor. If no Event of Default has occurred and is continuing, Lessee may remove at its expense any such accessories, equipment and devices at the expiration of the term of this Lease with respect to such Unit, provided that such removal will not impair the originally intended function or use of such Unit.



4.4 Lessee will cause each Unit to be kept numbered with the identifying number set forth in the Acceptance Supplement applicable thereto, and keep and maintain, permanently, distinctly, prominently and conspicuously marked on each side of each Unit in letters not less than one inch in height the words, "Westinghouse Leasing Corporation, Owner-Lessor" or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law, in order to protect Lessor's title to and property in such Unit and the rights of Lessor under this Lease. Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed. Lessee will not change the identifying number of any Unit unless and until a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and filed, recorded and deposited by Lessee in all public offices where this Lease shall have been filed, recorded and deposited and the Lessee shall have furnished the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Lessor's interests in such Units and no filings, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Lessor in such Units.

Except as provided in the immediately preceding paragraph, Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initials or other insignia customarily used by Lessee or its sublessees.

4.5 Upon prior notice to Lessee, Lessor shall have the right at all times to inspect any Unit and observe its use at Lessor's expense.

#### Section 5. Taxes.

The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless from and against, all income, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions), arising out of the transactions contemplated by this Lease and imposed against the Lessor, the Lessee or the Units by

any Federal, state, local or foreign government or taxing authority upon or with respect to the Units or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, taxes on or measured solely by, the net income of the Lessor) unless, and only to the extent that, the Lessee shall have given to the Lessor written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith and by appropriate proceedings and counsel for the Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings do not in the opinion of such counsel adversely affect the title, property or rights of the Lessor. All amounts payable by the Lessee under this Section shall be payable to the extent not theretofore paid, on written demand of the Lessor. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section or arising out of this Section, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Equipment in the Lessor and send a copy of such report or return to the Lessor or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return. All amounts payable to Lessor under this Section 5 shall be computed so that such payments shall be in an amount which, when reduced by the increase in the income tax liability or liabilities of the Lessor, if any, as a result of such payment by Lessee, shall equal the Lessor's after-tax cost of the Imposition.

Section 6. Risk of Loss; Waiver and Indemnity.

6.1 In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any such occurrence being hereinafter called a "Casualty Occurrence") during the term of this Lease, Lessee shall promptly and fully notify Lessor with respect thereto. On the rental payment date next succeeding such notice Lessee shall pay to Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as defined in the Schedule) of such Unit as of the date of such payment as set forth in the Schedule. Upon the making of such payment by Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of loss, theft or complete destruction) Lessor shall be entitled to recover possession of such Unit. Provided that Lessor has received the Casualty Value for any Unit, Lessee shall be entitled to the proceeds of any recovery in respect of such Unit from insurance or otherwise to the extent that they do not exceed the Casualty Value of such Unit, and any excess shall be retained by Lessor.

Except as hereinabove in this Section 6.1 provided, Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after the Date of Delivery with respect to such Unit until such date as the Units are returned to Lessor in accordance with Section 9 hereof.

6.2 The Lessee shall pay, and shall protect, indemnify and hold the Lessor and any assignee thereof, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses (including without limitation attorneys' fees and expenses of any Indemnified Person) relating thereto) in any way relating to or arising, or alleged to arise out of this Lease, or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof, (ii) any latent and other defects whether or not discoverable by the Lessor or the Lessee, (iii) any claim for patent, trademark or copyright infringement, (iv) any claims based on strict liability in tort, (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Lessor, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; or (vi) any violation, or alleged violation, of any provision of this Lease (except by the Lessor) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement adaptation or maintenance thereof. The Lessee shall be obligated under this Section 6.2, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this Section 6.2 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such

action, suit or proceeding. In the event the Lessee is required to make any payment under this Section 6.2, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Lessor each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this Section 6.2 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person (except against another Indemnified Person) in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to this Section 6.2 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made.

#### Section 7. Insurance.

Lessee at its own cost and expense, shall keep the Units insured against all risks for the value of such Units and in no event for less than the Casualty Value of such Units as specified in the Schedule, and shall maintain public liability and property damage insurance against such risks and for such amounts customarily insured against by Lessee in respect of similar equipment owned by it. All such insurance shall be in such form and with such companies as Lessor shall approve, shall name Lessor and Lessee as insureds and shall provide that such insurance may not be cancelled as to Lessor or altered without at least thirty days prior written notice to Lessor. All liability insurance shall be primary without right of contribution from any other insurance carried by Lessor. All insurance covering loss or damage to the Units shall contain a breach of warranty clause satisfactory to Lessor and shall provide that all amounts payable by reason of loss or damage to the Units shall be payable to Lessor or Lessee as their interests may appear. Lessee shall deliver to Lessor on or before the Delivery Date of each Unit evidence satisfactory to Lessor of all such insurance.

Section 8. Default.

8.1 If, during the term of this Lease, one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made by Lessee in the making of any payments to Lessor when due hereunder and such default shall continue for a period of ten days;

(b) Any representation or warranty of Lessee contained herein or in any document furnished to Lessor in connection herewith shall be untrue or incorrect in any material respect when made;

(c) Default shall be made in the observance or performance of any of the other covenants, conditions, agreements or warranties made by Lessee hereunder and such default shall continue for thirty days after written notice thereof to Lessee;

(d) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may hereafter be amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier;

(e) Any other proceedings shall be commenced by or against the Lessee or any Guarantor hereof for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions, or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier.

then, in any such case, Lessor, at its option may:

(aa) proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(bb) by notice in writing to Lessee terminate this Lease, whereupon all rights of Lessee to the use of the Units shall absolutely cease and terminate,

but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold the same free from any right of Lessee, its successors or assigns, but Lessor shall, nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case by discounting at a rate equal to 6% per annum compounded at the same frequency as rentals are paid hereunder from the respective dates upon which rentals would have been payable hereunder had the Lease not been terminated, and (ii) any damages and expenses in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty contained in this Lease other than for the payment of rental.

8.2 In the event of any action at law or suit in equity in relation to this Lease, Lessee in addition to all other sums which Lessee may be required to pay, will, if Lessor prevails in such action or suit, pay to Lessor a reasonable sum for its attorneys' fees and all other costs and expenses of such action or suit.

8.3 The remedies hereunder provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law.

Section 9. Return of Units.

On or prior to the expiration of the term of this Lease or of any renewal term (hereinafter collectively "Expiration Date") or as soon as practicable on or after such Expiration Date and in any event not later than ninety (90) days after such Expiration Date the Lessee will, at its own cost and expense, at the request of the Lessor cause each Unit to be delivered to such point or points as shall be reasonably designated by the Lessor immediately prior to such Expiration Date and arrange for the Lessor to store such Unit at such point or points for a period not exceeding one-hundred eighty (180) days from the Expiration Date the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or an intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Lessor or any prospective purchaser or lessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Lessor pursuant to this Section 9 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, having at all times been maintained in accordance with Section 4 hereof, (ii) have attached or affixed thereto any part title to which is in the Lessor



pursuant to Section 4 and have removed therefrom at Lessee's expense any part title to which is in the Lessee or any other person pursuant to Section 4, (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable, and (iv) be suitable for loading, free from odors, infestation and foreign materials. If any Unit suffers a Casualty Occurrence during any storage period provided for in this Section 9, the Lessee shall pay to the Lessor the Casualty Value of such Unit as determined in accordance with Section 6 hereof. The Lessee shall pay rental at the rate of 0.03% per day of the Purchase Price of any Unit not returned to the Lessor at the location referred to in the first sentence of this Section 9 immediately upon expiration of the term of this Lease.

Section 10. Assignment; Sublease; Liens, etc.

10.1 All or any of the right, title or interest of Lessor in and to this Lease, and the rights, benefits and advantages of Lessor hereunder, including the rights to receive payment of rental or any other payment hereunder, and title to the Units, may be assigned or transferred by Lessor at any time. Any such assignment or transfer shall be subject and subordinate to the terms and provisions of this Lease and the rights and interests of Lessee hereunder. No assignment of this Lease or any right or obligation hereunder whatsoever may be made by Lessee or any assignee of Lessee without the prior written consent of Lessor. Lessee shall not encumber this Lease or the Units with a security interest or any other lien without the prior express written consent of the Lessor.

10.2 So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled (i) to the use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any affiliate or upon lines of railroad over which Lessee or any such affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is regularly operated pursuant to contract; (ii) to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, and (iii) with the prior written consent of Lessor (which consent shall not be unreasonably withheld), to sublease any Unit or Units to other companies incorporated under the laws of any state of the United States or the District of Columbia, for use in connection with their operations, but only upon and subject to all the terms and conditions of this Lease;

provided, however, that no Units shall be used outside the United States of America during any calendar year, or if any of the Units shall be used outside the United States of America during any such year, such usage shall not be predominant within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended, and shall not impair the ability of the Lessor to treat, for Federal income tax purposes, all income and deductions relating to all uses of Units subject to the Lease during such year as being derived from, or allocable to, sources within the United States of America, nor shall the Lessee sublease the Units to, or permit their use by, any person in whose hands such Units would not qualify as "section 38" property within the meaning of the Internal Revenue Code of 1954, as amended. The Lessee may receive and retain compensation for such use from other railroads and companies so using any of the Units.

Nothing in this Section 10.2 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any railroad corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease.

Section 11.      Further Assurances.

Lessee will, at its expense, do and perform any other act and will execute, acknowledge, deliver, file, register and record any further instruments which Lessor may reasonably request in order to protect Lessor's title to the Units, this Lease, and the rights and benefits thereof. This Lease and the Acceptance Supplement shall be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act prior to the Delivery Date of any Unit hereunder to which such documents relate.

Section 12.      Late Payments

Lessee shall pay to Lessor, on demand, interest at the rate of ten (10) percent per annum on the amount of any payment not made when due hereunder from the date thereof until payment is made.

Section 13. Effect of Waiver.

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default of Lessee hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lessor of any breach or default under this Lease must be in writing specifically set forth.

Section 14. Survival of Covenants.

All covenants of Lessee under Section 1, 2, 4, 5, 6, 8, 9 and 12 shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

Section 15. Applicable Law; Effect and Modification of Lease.

15.1 This Lease shall be governed by and construed under the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

15.2 This Lease exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Units and supersedes all prior agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver or any of its provisions or conditions shall be valid unless in writing.

Section 16. Financial Information and Reports.

Lessee shall keep its books and records in accordance with generally accepted accounting principles and practices consistently applied and shall deliver to Lessor its quarterly and annual audited financial statements, the annual report to

stockholders of National Railway Utilization Corporation certified by a firm of independent public accountants, and such other unaudited financial statements as may be reasonably requested by Lessor.

Lessee shall deliver to Lessor on or prior to March 31 of each year of the Lease term an annual report as to the physical condition of the Units as of the preceding December 31.

Section 17. Tax Indemnification.

17.1 This Lease has been entered into upon the assumption that:


(a) the Lease will constitute a true lease for federal income tax purposes, the Units shall constitute "New Section 38" property on the Delivery Date and the Delivery Date shall be not later than March 31, 1978:

(b) The Lessor shall be entitled to such deductions, credits and other tax benefits as are provided by federal, state and local law to an owner of property ("Tax Benefits") including, without limitation:


(i) The investment credit allowed by Section 38 and related sections of the Internal Revenue Code of 1954, as amended ("Code") in an amount equal to 10% the Purchase Price of Units ("Cost");

(ii) The deduction for depreciation on the Units under various sections of the Code based upon (A) depreciation by Lessor over a useful life of 12 years (as provided by the lower limited for assets includable in Asset Guideline Class 00.25 as published in Rev. Proc. 77-10), (B) salvage value equal to 0% of the Cost of the Units (after reduction as provided for in Section 167(f) of the Code), (C) utilization of the double declining balance method of depreciation switching to sum of the years digits method when most beneficial to the Lessor using an original basis equal to the Cost, and (D) adopting the modified half year convention described in Regulation Section 1.167(a) - 11(c)(2)(ii) in accordance with Section 167 (m) of the Code.

17.2 If Lessor shall lose, shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to Lessor, all or any portion of the Tax Benefits as are provided to an owner of property with respect to any Unit and as provided under the assumptions set forth in Section 17.1 hereof ("Loss"), then on the next succeeding rental payment date after written notice to Lessee by Lessor, that a Loss has occurred, or if there is no such date, thirty (30) days following such a notice, Lessee shall pay Lessor an amount which, in the reasonable opinion of Lessor, and after deduction of all taxes required to be paid by Lessor with respect to receipt of such amount, will preserve anticipated net after-tax yield and periodic after-tax cash flow over the term of the Lease in respect of such Unit that would have been available to Lessor if Lessor had been entitled to the utilization of all the Tax Benefits.



17.3 For purposes of this Section 17, a Loss shall occur upon the earliest of (a) the happening of any event (such as disposition or change in use of any Unit) which may cause such Loss, (b) the payment by Lessor to the Internal Revenue Service of the tax increase resulting from such Loss or (c) the adjustment of the tax return of Lessor to reflect such Loss. Lessor shall not be entitled to payment under this Section 17 on account of any Loss due solely to one or more of the following events: (aa) a voluntary transfer or other voluntary disposition of the Unit by the Lessor prior to any default by Lessee, (bb) a failure of Lessor to claim timely or properly the Tax Benefits for the Unit in the tax return of Lessor (cc) a disqualifying change in the nature of Lessor's business or liquidation thereof, (dd) a foreclosure by any person holding through Lessor of a lien on the Unit, which foreclosure results solely from an act of Lessor, (ee) any event which by the term of this Lease requires payment by the Lessee of the Casualty Value, if such Casualty is thereafter actually paid by Lessor, or (ff) the failure of Lessor to have sufficient taxable income or tax liability to utilize such Tax Benefits or (gg) amendments to or change in the Code or regulations thereunder, which is effective after the start of the Lease term.



17.4 All of the Lessor's rights and privileges arising from the indemnities contained in this Section 17 shall survive the expiration or other termination of this Lease.

17.5 For purposes of this Section 17, the term "Lessor" shall include any affiliated group (within the meaning of Section 1504 of the Code) of which Lessor is a member for any year in which a consolidated income tax return is filed for such affiliated group.

Section 18.      Notices.

All demands, notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to a telegraph office, charges, prepaid, addressed as follows:

To Lessor:

Westinghouse Leasing Corporation  
3 Gateway Center - 23 West  
Pittsburgh, Pennsylvania 15222

To Lessee:

Pickens Railroad Company  
P. O. Box 216  
Pickens, South Carolina 29621

or at such other address as may hereafter be furnished to writing by either party to the other.

Section 19.      Renewal Option

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than six months prior to the end of the original term or any extended term of this Lease, as the case may be, elect to extend the term of this Lease in respect of all but not fewer than all of the Units then covered by this Lease, for three additional two-year periods commencing on the scheduled expiration of the original term or any extended term of this ~~Lease~~<sup>Lease</sup>, as the case may be, at a "Fair Market Rental" payable in quarter-annual payments on January 1, April 1, July 1 and October 1 in each year of such extended term.

Fair Market Rental shall be determined on the basis of, and shall be equal in amount to, the rental which would be obtainable in an arm's length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental. If, after 20 days from the giving notice by the Lessee of the Lessee's election to extend the term of this Lease, the

Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, such rental shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 days after such notice is given, each party shall appoint an independent appraiser within 15 days after such notice is given, and the two appraisers so appointed shall within 25 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 70 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal shall be borne by the Lessee.

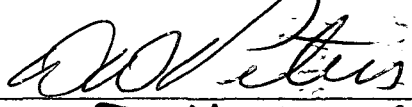
Section 20. Counterparts.

Five counterparts of this Lease have been executed by the parties hereto, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. One counterpart has been prominently marked "Lessor's Copy".

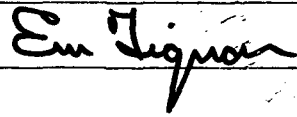
IN WITNESS WHEREOF, the parties hereto have executed  
this Lease as of the day and year first above written.

WESTINGHOUSE LEASING CORPORATION

BY



ATTEST:

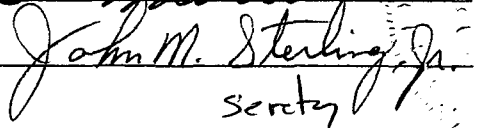


PICKENS RAILROAD COMPANY

BY



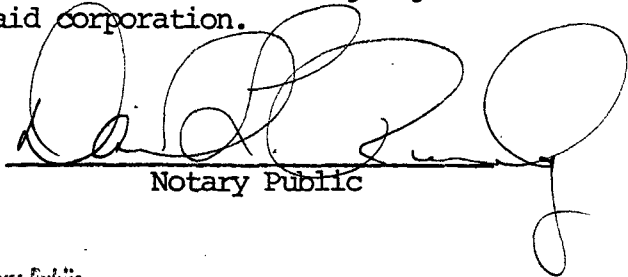
ATTEST:

  
Secretary



STATE OF PENNSYLVANIA )  
 )  
COUNTY OF ALLEGHENY )

On this 27th day of January, 1978, before me personally appeared D. D. Peters, to me personally known, who, being by me duly sworn, says that he is the Assistant Secretary of Westinghouse Leasing Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

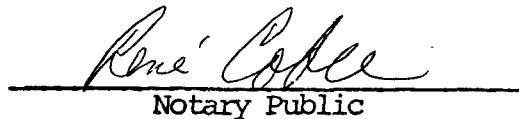
(SEAL)

DANIEL L. REILLY, Notary Public  
Pittsburgh, Allegheny County, Pa.  
My Commission Expires Dec. 7, 1981

My Commission Expires \_\_\_\_\_

STATE OF Pennsylvania )  
 )  
COUNTY OF Phila. )

On this 1st day of February, before me personally appeared John A. Waresatt, to me personally known, who, being by me duly sworn, says that he is the Vice President of Parkwood Company, of Pittsburgh, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

(SEAL)

My Commission Expires \_\_\_\_\_

## SCHEDULE

### Section 1. Description of Units and Maximum Purchase Price

<u>Quantity</u>	<u>Description</u>	<u>Lessee's Road Numbers (All Inclusive)</u>	<u>Estimated Purchase Price</u>
100	50'6" 70 ton box car AAR Mechanical Designation XM	NSL 101100-101101 NSL 101103 NSL 101108 NSL 101110-101205	\$ 3,400,000

The aggregate actual Purchase Price of all Units shall not exceed \$3,510,000.00 without the prior written consent of Lessor.

### Section 2. Term.

The interim lease term for each Unit shall begin on its Delivery Date and shall end on April 1, 1978.

The basic lease term for each Unit shall be one hundred eighty (180) months commencing on April 1, 1978.

### Section 3. Rentals

The rental for each Unit shall be paid in sixty (60) consecutive quarterly installments commencing July 1, 1978. Each quarterly rental for each Unit shall be in an amount equal 3.11% of the Purchase Price in respect thereto.

Section 4.    Availability Date.

March 31, 1978

Section 5.    Location.

Continental United States

Section 6.    Casualty Value.

The Casualty Value of each Unit as of each rental payment date in respect thereto shall be that percentage of the Purchase Price of such Unit as is set forth below opposite the number of rental payments in respect of such Unit which would have become due to and including such date.

<u>Rental Payment Date</u>	<u>Percentage</u>
Interim (Due 4/1/78)	103.41
1 (Basic, due 7/1/78)	104.06
2	104.57
3	104.91
4	105.11
5	105.25
6	105.34
7	105.36
8	105.34
9	105.26
10	105.14
11	104.95
12	104.68
13	98.03
14	97.70
15	97.31
16	96.88
17	96.39
18	95.87
19	95.28
20	94.64

<u>Rental Payment Date</u>	<u>Percentage</u>
21	87.56
22	86.83
23	86.05
24	85.23
25	84.35
26	83.44
27	82.47
28	81.46
29	73.99
30	72.89
31	71.75
32	70.55
33	69.30
34	68.03
35	66.70
36	65.33
37	63.91
38	62.45
39	60.97
40	59.42
41	57.84
42	56.22
43	54.56
44	52.86
45	51.12
46	49.34
47	47.53
48	45.67
49	43.76
50	41.84
51	39.87
52	37.88
53	35.82
54	33.75
55	31.65
56	29.50
57	27.29
58	25.08
59	22.80
60 and thereafter	20.00

ACCEPTANCE SUPPLEMENT

Reference is made to the Lease Agreement dated as  
of \_\_\_\_\_, 197\_\_\_\_ between Westinghouse Credit  
Corporation, as Lessor, and Pickens Railroad Company as  
Lessee. The terms used herein shall have the same meaning  
as such terms have in such Lease Agreement.

The Lessee hereby certifies that the following Units  
have been accepted by Lessee for leasing under the Lease,  
that such Units have become subject to and governed by the  
provisions of the Lease, and that Lessee is obligated to pay  
the rentals and all other sums provided for in the Lease with  
respect to such Units.

<u>Description of Units</u>	<u>Identifying Numbers</u>	<u>Purchase Price</u>
-----------------------------	----------------------------	-----------------------

Total Purchase Price

\_\_\_\_\_  
\$ \_\_\_\_\_  
\_\_\_\_\_

The Delivery Date in respect of such Units is \_\_\_\_\_.

IN WITNESS WHEREOF, the undersigned has executed this  
Acceptance Supplement as of the Delivery Date set forth above.

PICKENS RAILROAD COMPANY

By \_\_\_\_\_

Title \_\_\_\_\_

## GUARANTEE AGREEMENT

This GUARANTEE AGREEMENT (hereinafter referred to as the "Agreement"), made as of first day of December, 1977, between National Railway Utilization Corporation (hereinafter referred to as "Guarantor") and Westinghouse Leasing Corporation (hereinafter referred to as "Lessor").

### W I T N E S S E T H:

WHEREAS, Lessor has been requested to enter into a Lease Agreement, as Lessor, with Pickens Railroad Company (hereinafter referred to as "Lessee"), to be dated of even date herewith, said Lease, together with all schedules, acceptance supplements, letter agreements and amendments relating thereto being hereinafter collectively referred to as the "Lease"; and

WHEREAS, Lessee is an affiliate of Guarantor; and

WHEREAS, Guarantor desires to have Lessor execute the Lease with Lessee; and

WHEREAS, Lessor is willing to execute the Lease with the Lessee provided Guarantor unconditionally guarantees the full and faithful performance by Lessee of all the terms, conditions, and covenants thereof.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease by Lessor and the mutual covenants contained herein, the parties hereto agree as follows:

1. Guarantor hereby unconditionally guarantees the prompt, complete, and faithful performance by Lessee of all the terms, covenants, and conditions of the Lease and the payment of all sums that may become due to Lessor from the Lessee thereunder, including, but not limited to, payments due Lessor at the expiration of the term of the lease, and Guarantor further agrees to pay all reasonable attorney's fees, costs and expenses incurred by Lessor in connection with the enforcement of this Agreement.
2. This Agreement shall continue until the obligations of Lessee under said Lease have been fully and completely performed by the Lessee or otherwise discharged by Lessor, and Guarantor shall not be released from any obligations or liability hereunder so long as there is any claim of Lessor against the Lessee arising out of said Lease which has not been settled or discharged in full.
3. Lessor shall have the full right, in its sole discretion and without any notice to or consent from Guarantor, from time to time and at any time, and without affecting, impairing,

or discharging, in whole or in part, the liability of Guarantor hereunder, to (a) extend, in whole or in part, the time of payment of any obligation owing under the Lease, by the Lessee to Lessor; (b) agree with the Lessee to make any change, amendment or modification whatsoever of any term or condition of the Lease, including, but not limited to, the rental payable thereunder; and (c) settle, compromise, release, surrender, modify or impair, and enforce, exercise, or fail or refuse to enforce or exercise, any claims, rights, or remedies of any kind or nature against the Lessee or with respect to any equipment subject to the Lease. Guarantor hereby ratifies and confirms any such extension, change, amendment, renewal, release, surrender, exchange, modification, impairment, settlement or compromise, and all such actions shall be binding upon Guarantor who hereby waives all defenses, counterclaims or offsets which it might have by reason thereof. No exercise, delay in exercising, or omission to exercise any of the rights, powers, remedies, and discretions of Lessor hereunder shall be deemed to be a waiver thereof, and every such right, power, remedy, and discretion may be exercised repeatedly.

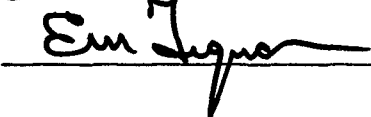
3. This Agreement shall be construed as an unconditional, absolute, continuing, and unlimited guarantee. Guarantor specifically agrees that Lessor may, at its option, proceed in the first instance against Guarantor to collect any obligation covered by this agreement, without first proceeding against the Lessee, any other person, firm or corporation, or the equipment subject to the Lease.
4. Guarantor hereby waives (a) notice of acceptance of this Agreement by Lessor, (b) notice of any demands with respect to the obligations of Lessee under the Lease, (c) any rights to extension, composition or otherwise under the Bankruptcy Act, or any amendments thereof, or under any state or other Federal statute and (d) all defenses, offsets, and counter-claims which Guarantor or Lessee may at any time have to any claims of Lessor under the Lease or this Agreement, provided, however, that nothing herein shall be deemed to preclude Guarantor from otherwise enforcing any rights Lessee may have against Lessor under the Lease.

5. Guarantor represents that, at the time of the execution and delivery of this Agreement, nothing exists to impair the effectiveness of its liability to Lessor hereunder, or the immediate taking effect of this Agreement as the sole agreement between it and Lessor with respect to guaranteeing the obligations of Lessee to Lessor.
6. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
7. This Agreement is to be construed in accordance with the laws of the Commonwealth of Pennsylvania.
8. This Agreement may not be amended, modified, terminated or revoked without the express written consent of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WESTINHOUSE LEASING CORPORATION

BY: 

ATTEST: 

NATIONAL RAILWAY UTILIZATION CORPORATION

BY: 

ATTEST:   
Secretary